



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 753-6423 • TTY (360) 586-8203

DOCKET FILE COPY ORIGINAL

September 13, 1996

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RECEIVED
SEP 16 1996
FCC TEL ROOM

RE: In the Matter of Number Portability Under the
Telecommunications Act of 1996
FCC 96-286; CC Docket No. 95-116

Dear Secretary:

Pursuant to FCC Rules, Sections 1.415 and 1.419, enclosed is the original and 18 copies of the Reply Comments of the Washington Utilities and Transportation Commission Staff (including two copies marked "Extra Public Copy") regarding the above referenced matter.

Sincerely,

STEVE McLELLAN
Secretary

Enclosures

No. of Copies rec'd _____
List ABCDE _____

0120



Before the
Federal Communications Commission
Washington, D.C. 20554

RECEIVED
(SEP 16 1996
FCC MAIL ROOM

FCC 96-286

| | | |
|---------------------------------|---|----------------------|
| In the Matter of |) | |
| |) | |
| Implementation of the |) | CC Docket No. 95-116 |
| Telecommunications Act of 1996: |) | RM 8535 |
| |) | |
| Number Portability Under the |) | |
| Telecommunications Act of 1996 |) | |

REPLY COMMENTS OF
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
STAFF

TABLE OF CONTENTS

| | |
|-----------------------------------|---|
| I. INTRODUCTION AND SUMMARY | 1 |
| II. COMMENTS | 3 |
| III. CONCLUSION | 8 |

TABLE OF CONTENTS - I

FCC 96-286/CC Docket No. 95-116

REPLY COMMENTS OF WASHINGTON UTC STAFF (09/13/96)

I. INTRODUCTION AND SUMMARY

The Washington Utilities and Transportation Commission (Commission) Staff submits the following reply comments in response to the Federal Communications Commission's (FCC) Further Notice of Proposed Rulemaking. The Commission Staff appreciates this opportunity to address the issues.

The Washington Utilities and Transportation Commission established a Local Number Portability Task Force under Docket No. UT-951080 in 1995. UT-951080 was the outcome of a Commission order in a case that addressed interconnection under Dockets UT-941464, UT-941465, UT-951046, UT-950265. The Washington Exchange Carrier Association (WECA) filed Report 95-02 in response to the Commission's direction in its Fourth Supplemental Order in the consolidated proceeding. The Commission asked that the parties, through the WECA docket, present to the Commission a recommendation by July 1, 1996 for immediate implementation and funding of a true local number portability solution.

The report, filed prior to July 1, 1996, recommended that the Commission approve local routing number (LRN) as the starting point for implementing local number portability (LNP) within the State of Washington. The report additionally recommended approval of the formation of several teams to develop detailed implementation and deployment of local number portability. Although funding issues were not addressed, the WECA report recognized that cost recovery was an important issue that needed to be resolved prior to implementation.

In this Notice of Proposed Rulemaking (NPRM), the FCC has requested comments on numerous issues relating to costs and cost recovery for long term local number portability. The Washington task force, which is comprised of industry members and Washington Commission staff members, is currently in the process of preparing proposals for a regional SMS database with the Colorado Commission Number Portability task force. However, neither group has specifically discussed nor proposed methods to be considered in the cost recovery process.

The deadline for the North American Numbering Council (NANC) to select a vendor is seven months after the first meeting. The Washington Number Portability Task Force believes a regional recommendation will assist the NANC in decisions regarding a third party administrator.

The following comments provide the opinions of the Washington Staff only and do not necessarily represent the opinions of the Colorado Commission, the industry members in either Colorado or Washington, Washington Public Counsel, or the Washington Commissioners.

Regional Update

The Washington State Number Portability task force has chosen to continue to pursue the process of establishing a Limited Liability Company (LLC) for the purpose of selecting an independent third party administrator. A Request for Proposal will be released by the LLC when formed in the near future. Since the issuance of the FCC Decision, the Washington Task Force has scheduled meetings

with the other thirteen states in the U S WEST region to determine whether a regional administrator is feasible.

II. COMMENTS

Paragraph 209

The FCC concludes that the competitively neutral standards of Section 251 (e) (2) of the Act apply only to number portability costs and not to cost recovery of carrier specific non-number portability specific costs. The FCC addresses only the allocation of costs among carriers, not consumers.

Washington Commission Staff believes that the authority to determine consumer cost recovery should remain with each state and agrees with the FCC conclusions.

The FCC also requests comments on the meaning of statutory language that the costs of number portability be borne by all telecommunications carriers. Staff would propose that the FCC use the definitions in the Telecommunications Act of 1996 and would recommend that all telecommunications carriers must participate in the local number portability cost recovery. The costs must further be identified so that they are fairly apportioned among telecommunications carriers.

Paragraph 210

The FCC concludes that a competitively neutral cost recovery mechanism should not give one service provider an appreciable incremental cost advantage

over another when competing for specific subscriber. The FCC further states that a competitively neutral cost recovery mechanism should not have a disparate effect on the ability of competing service providers to earn a normal return. Staff agrees with this conclusion.

The Staff also argues that the Commission must further distinguish between shared industry costs (costs related to deployment of regional SMS) and individual carrier costs (costs related to deployment of signaling systems).

Staff agrees with the FCC regarding implementation of general policies as described in the NPRM regarding cost allocation for LNP. Thus, it would be appropriate to allocate the costs of software upgrades to LNP. However, costs for AIN, SS7, new switches, and similar items, should not be allocated to LNP. These costs should be considered network modernization and should not be given special treatment or applied to the cost allocation of LNP even if the implementation of LNP actually triggered these placements.

Staff does not agree that the FCC should establish specific cost recovery policies which would allow the FCC into the business of ratemaking for local service.

Paragraphs 212 and 213

The FCC requests comment on whether the database administrator should recover its costs from all telecommunications carriers through a charge assessed only on those carriers using the database or on all carriers. The FCC seeks comment on specific cost recovery schemes for the database administrator.

Staff suggests that the costs should be recovered by the carriers that use the database only. The database administrator costs should be recovered from carriers who receive downloaded database information and from those who provide uploaded information to the database. Carriers receiving downloaded portability information would be charged based on incremental cost and would not be assessed database administrator overhead cost.

The costs for receiving, storing and processing information by the database administrator would be recovered from carriers that provide uploaded information, including the overhead costs. All costs would be allocated using principles of competitive neutrality. Each state would determine appropriate cost recovery policy.

Paragraph 217

The FCC concludes that nonrecurring costs are one of three types of costs generated. The FCC concludes that nonrecurring costs could be recovered through monthly charges or one time payment.

Staff does not agree with the FCC and suggests each state determine these issues, although general policy guidelines could be set by the FCC related to competitive neutrality.

The FCC proposes cost recovery of recurring costs through monthly charges allocated in proportion to each carriers revenues net of payments to other carriers.

Staff proposes that each state should determine a method for cost recovery of recurring charges based on the principles of competitive neutrality.

Paragraph 219

The FCC requests comments on cost recovery for database queries (dips) into the database.

There is difficulty in allocation of revenues to interexchange carriers because an interexchange database dip in many instances may be made into multiple databases and result in overassessment. Staff would therefore propose that a local exchange carrier (LEC) allocation be considered. Allocation based on the number of lines is not an option for an IXC due to the fact that an interexchange carrier does not have local access lines. Staff would propose that interexchange carriers be exempt and number portability be considered a local function by local exchange carriers.

Paragraph 221

The FCC concludes that direct carrier specific costs to implement number portability should be recovered by all carriers who use the system in an equitable nondiscriminatory manner and proposes two options, individual carrier cost recovery, and cost pooling.

Staff suggests that specific cost recovery methods remain with the states and that FCC general policy guidelines for competitive neutrality be followed.

Paragraph 222

The FCC seeks comment on whether it can or should mandate a mechanism by which incumbent LECs or others may recover costs from consumers or other carriers.

Staff recommends that the FCC provide policy guidelines and leave the mechanism to state jurisdiction. The mechanism raises numerous policy concerns related to the ratemaking authority in each state. Contribution of costs, allocation of costs among services and users and specific service costs are determined under a variety of state mechanisms. Incumbent LECs that implement network upgrades and modifications that allow carriers to offer services or enhance efficiency should not be permitted to allocate those costs to number portability and require competing carriers to subsidize their network. In the ratemaking process, these costs are not treated exogenously. The FCC should not provide other than general policy guidelines in this area.

Paragraphs 223 and 224

The FCC seeks comment on whether the FCC should permit LNP costs to be recovered from consumers, and what option of recovery is preferred. The FCC also seeks comment on what degree of variability these costs to consumers should have.

Staff does not agree that the FCC should select an option for cost recovery, nor should the FCC determine variability. Each state should determine whether costs should be consistent within that state.

Paragraph 227

The FCC concludes that carrier specific costs not directly related to number portability should be borne by individual carriers as network upgrades. The FCC concludes that carrier specific costs are not subject to requirements in Section 251.

Staff suggests that cost allocation and cost recovery is the responsibility of individual states, not the FCC.

III. CONCLUSION

The Washington Utilities and Transportation Staff urges the FCC to adopt rules which facilitate the implementation of number portability. The Staff believes the FCC's rules will act as helpful tools and will provide general policy guidelines related to competitive neutrality and determination for cost recovery. We would encourage the FCC to work cooperatively with the State Commissions to enable them to use these tools at their discretion as they each carry out their mutual responsibilities.

The Washington Commission Staff looks forward to further participation and further opportunity to comment on these matters before the FCC.

DATED this 13th day of September 1996, at Olympia, Washington


STEVE McLELLAN
Secretary

Before the
Federal Communications Commission
Washington, D.C. 20554

RECEIVED
SEP 16 1996
FCC MAIL ROOM
FCC 96-286

| | | |
|--|---|----------------------|
| In the Matter of |) | |
| |) | |
| Implementation of the Telecommunications |) | CC Docket No. 95-116 |
| Act of 1996: |) | RM 8535 |
| |) | |
| Number Portability Under the |) | |
| Telecommunications Act of 1996 |) | |

CERTIFICATE OF SERVICE

I certify under penalty or perjury under the laws of the State of Washington that on September 13, 1996, I served true and correct copies of Comments of Washington Utilities and Transportation Commission and this Certificate of Service on the following persons as set forth below via Overnight Mail:

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

International Transcription Services, Inc.
2100 M Street N.W., Suite 140
Washington, D.C. 20037

Wanda M. Harris
Common Carrier Bureau
Competitive Pricing Division
1919 M Street N.W., Room 518
Washington, D.C. 20554

Dated and signed at Olympia, Washington, on September 13, 1996.


KIPPI WALKER